

## Message Text

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PAGE 01 STATE 014655  
ORIGIN OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-08 TRSE-00 L-03 STR-04 COME-00  
OMB-01 CIAE-00 INR-07 NSAE-00 /040 R

DRAFTED BY OPIC/ID/MEA:CJBAZARIAN:ME  
APPROVED BY EB/IFD/OIA:RJSMITH  
TREASURY:DFOSTER  
TREASURY:MFIELD  
OPIC/ID/VP:HAZOLA- L/EB:SRBOND  
OPIC/ID/MEA:CHMIDDLETON  
OPIC/GC:AFMARRA-L/T:POLSON  
OPIC/GC:EABURTON  
NEA/ARP:JLYLE-EB/OFD/OMA:AFOR0ORD  
EB/IFD/OIA:DHSTEBBING

-----221151Z 010241 /23 10

R 220200Z JAN 77  
FM SECSTATE WASHDC  
TO AMEMBASSY DOHA

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E.O. 11652: N/A

TAGS: EINV

SUBJECT: OPIC BILATERAL AGREEMENT FOR QATAR

REF: (A) DOHA 1120; (B) (STATE A-9461 (72)

1. REF (B) OPIC AND STATE HAVE DETERMINED THAT WE CANNOT SIGNIFICANTLY VARY OUR TRADITIONAL BILATERAL POLICY WITHOUT A TIME CONSUMING PROCESS WHICH INCLUDES MAJOR POLICY CONSIDERATIONS REGARDING OPIC AND HOST GOVERNMENT RIGHTS, MAJOR CHANGES IN THE TEXT, AND THE NEED TO ACQUIRE NEW CIRCULAR 175 AUTHORITY. MINOR DEVIATIONS, SUCH AS LIMITING LIMITED OFFICIAL USE

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THE BILATERAL TO CONSTRUCTION AND OTHER SERVICES IN THE OAPEK COUNTRIES RATHER THAN DEBT/EQUITY INSURANCE (GUARANTIES) ARE FEASIBLE. HOWEVER, THE RIGHTS OF OPIC AND THE HOST GOVERNMENT WOULD HAVE TO BE MAINTAINED, SUCH AS HOST GOVERNMENT APPROVAL OF PROJECT, U.S. SUCCESSION TO RIGHTS OF THE INVESTOR AFTER PAYMENT OF CLAIM, U.S. RIGHTS OF UTILIZING LOCAL CURRENCY CLAIMS PAYMENTS WITHIN THE TERRI-

TORY OF THE HOST GOVERNMENT, AND INTERNATIONAL ARBITRATION. THEREFORE, TO LIMIT THE BILATERAL TO CONSTRUCTION AND OTHER SERVICES WOULD NOT ACHIEVE PERCEIVED EMBASSY OBJECTIVE OF A SIMPLE EXCHANGE OF LETTERS.

2. REF (A) SUGGEST THAT EMBASSY FOLLOW-UP EXISTING QATAR

DRAFT AGREEMENT WITH DIRECTOR OF DEPARTMENT FINANCIAL AFFAIRS AL QADI. IF A MORE LIMITED AGREEMENT IS REQUESTED BY QADI, OPIC AND STATE WOULD CONSIDER A COUNTER PROPOSAL FROM QADI.

3. REF (A) PARAGRAPH 3 BAZARIAN OF OPIC HAS EXPLORED WITH TREASURY OFFICIALS THE POSSIBILITY OF A BILATERAL TAX TREATY WITH QATAR IN ORDER TO DEMONSTRATE WILLINGNESS TO PROVIDE INCENTIVE FOR QATARI INVESTMENTS IN THE U.S. THE TREASURY DEPARTMENT WOULD NOT OBJECT TO DISCUSSING AN INCOME TAX TREATY WITH QATAR BUT WOULD NOT MAKE ANY PROMISES NOW ON SCHEDULING SUCH TALKS DUE TO HEAVY SCHEDULE OF NEGOTIATIONS AND NEED TO DEAL FIRST WITH THOSE COUNTRIES WHERE U.S. INVESTMENTS ARE LARGE. (FOR EXAMPLE, NEGOTIATIONS WITH CANADA, FRANCE, GERMANY, ITALY, SPAIN, BRAZIL, AND INDIA ARE ALL IN PROGRESS, AND AUSTRALIA, HUNGARY, YUGOSLAVIA, AND SINGAPORE ARE WAITING DATES FOR CONTINUATION OF TALKS.)

4. THERE ARE SEVERAL ARGUMENTS FOR A TAX TREATY; SUCH AS A SYMBOL OF GOOD WILL, PROVISION OF CERTAINTY TO INVESTORS AS OF THEIR TAX STATUS, AND MORE IMPORTANTLY REMOVES LIMITED OFFICIAL USE

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IMPEDIMENTS TO TRADE AND INVESTMENTS BY EQUITABLE TAX TREATMENT, SUCH AS TAXATION OF INVESTMENT INCOME, DIVIDENDS, INTEREST, ROYALTIES AND CAPITAL GAINS. A TAX TREATY MAY REDUCE OR ELIMINATE TAX WITHHELD AT THE SOURCE ON INCOME PAYMENTS TO RESIDENTS OF OTHER STATES. EMBASSY MAY WISH TO RAISE TAX TREATY SUBJECT WITH QADI.  
HABIB

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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Executive Order:** N/A  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
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